



# THE NAR SETTLEMENT: WHAT SELLERS NEED TO KNOW



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## QUICK SUMMARY OF THE CASE

The National Association of Realtors (NAR) was involved in class action lawsuits filed against them beginning in March of 2019 that centered on how their rules on real estate commissions were structured and communicated to Sellers and Buyers. It was alleged to be in violation of the Antitrust Act. The NAR asserted and maintained a defense denying all claims. Subsequent to motions and a jury trial of one of the cases, the Parties eventually agreed to engage in Mediation. As a result of that Mediation, the NAR entered into agreement with Plaintiff Home Sellers to a settlement of those cases. The Settlement included Procedural changes aimed at increasing transparency, clarity, and consumer choice for Buyers and Sellers regarding commission and agency. The settlement is a significant development that will reshape how real estate transactions are conducted and went into **effect August of 2024**. As a Seller, it's important to understand the implications of this settlement. This post aims to provide clarity on what you need to know.

## Key Changes Resulting from the Settlement

The settlement addresses several key areas, primarily focusing on transparency and negotiation regarding real estate agent commissions. Here are the main points:

### Greater Transparency in Commissions

One of the most notable outcomes of the NAR settlement is the increased transparency around real estate commissions. Previously, commission structures were often bundled into the Multiple Listing Service (MLS) and not always clear to sellers or buyers. Now, sellers will have clearer understanding of what they are paying for and how commissions are structured. Seller can now:

- See exactly what portion of the commission goes to their listing agent
- Decide whether to offer compensation to a buyer's agent
- Negotiate commission rates more openly with their agent

### Flexibility in Offering Buyer Agent Compensation

Under the new rules, sellers are no longer required to offer compensation to buyer agents through the MLS. This means sellers can choose whether or not to contribute to the buyer's agent commission.

While some sellers may opt not to offer compensation, others may still choose to do so as an incentive to attract more buyers. The key is flexibility--sellers now have more control over how their property is marketed and how commissions are allocated.

## How This Affects You as a Seller

Because commission structures are changing, sellers may need to adjust their pricing strategies. If sellers decide not to offer buyer agent compensation, buyers might factor that cost into their offers. This could influence the final sale price or negotiation process.

Sellers should work closely with their listing agent to:

- Understand how local market trends are shifting
- Price their home competitively
- Evaluate whether offering buyer agent compensation could help attract more offers

### Importance of Clear Communication:

Sellers should ensure that all terms--especially commission rates and marketing strategies--are documented and understood before signing a listing agreement. This clarity helps prevent misunderstandings and ensures that both parties are aligned on expectations and responsibilities.

## What Sellers Should Do Next

To Navigate the post-settlement landscape effectively, sellers should:

- Review their listing agreements carefully
- Ask detailed questions about commission structures
- Discuss marketing strategies and buyer incentives with their agent
- Stay informed about local market trends and buyer behavior.

## Summary

The NAR settlement marks a major shift in how real estate transactions operate, giving sellers more control and transparency than ever before. By understanding these changes and working with a knowledgeable agent, sellers can position themselves for success in a more open and competitive marketplace.